

SUPPLIER CODE OF CONDUCT

INTRODUCTION

BIRGER CHRISTENSEN SUPPLIER CODE OF CONDUCT

1. INTRODUCTION

The teams of Birger Christensen collective are committed to running a responsible and sustainable business. Ensuring that our products are developed and manufactured under responsible conditions stands at the core of this commitment. In fulfilment of our ambition, we expect all our partners – suppliers, subcontractors, agents, and other business partners – to operate responsibly and act with integrity, fairness, and responsibility in all aspects of their business.

Our commitment implies having in place processes for preventing and addressing adverse impacts on human and labor rights, the environment, including climate, anti-corruption, and animal welfare. We use this Code of Conduct to support us in selecting and retaining business partners who share our commitment to responsible and sustainable production as defined by internationally agreed conventions, standards, and guidelines.

We ask all our partners to commit to implementing the standards, processes, and requirements of this Code of Conduct in their own operations and to work with their suppliers and business partners to also implement the policies, standards, and processes of the Code.

We recognize that establishing the required standards and processes outlined in this Code of Conduct requires both time and resources. We focus on our suppliers’ ability and willingness to demonstrate continuous improvements in meeting the requirements of the Code, and in improving their systems to manage adverse impacts on human and labor

rights, the environment, including climate, anti-corruption, and animal welfare. We feel confident that cooperation and transparent dialogue can result in a more sustainable and efficient partnership from which both parties will benefit.

The standards of the Code of Conduct are based on internationally agreed conventions, including but not limited to: the International Bill of Human Rights, the International Labor Organization’s (ILO) Declaration of the Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the OECD Due Diligence Guidance for Responsible Business Conduct, the UN Convention Against Corruption, the Rio Declaration on Environment and Development; and the UN Global Compact’s 10 Principles.

All suppliers are expected to comply with national legislation, regulations, and applicable practices and industry standards as relevant to their business. Please refer to the enclosed Code of Conduct for more information about the specific requirements. If you have any questions regarding this letter, our Code of Conduct, or our responsible supply chain management program in general, please do not hesitate to contact our offices.

- 1. Introduction _____ 2
- 2. Scope _____ 3
- 3. Due diligence requirements _____ 3
- 4. Human and labor rights _____ 4
 - a. Child labor and young workers _____ 4
 - b. Forced labor _____ 4
 - c. Employment conditions _____ 4
 - d. Discrimination, Diversity and Harassment _____ 4
 - e. Freedom of association and collective bargaining _____ 4
 - f. Working hours and leave _____ 5
 - g. Wages and benefits _____ 5
 - h. Occupational health and safety _____ 5
 - i. Extreme temperatures _____ 5
- 5. Environment & climate impact _____ 6
 - a. Chemical input / RSL _____ 6
 - b. Water resources _____ 6
 - c. Air quality and climate _____ 6
 - d. Waste, re-use and recycling management _____ 6
- 6. Ethical business practices _____ 6
- 7. Animal welfare _____ 7
- 8. Collaboration, grievance and monitoring _____ 7

SUPPLIER CODE OF CONDUCT

BIRGER CHRISTENSEN
SUPPLIER CODE OF
CONDUCT

2. SCOPE

The scope of this Code of Conduct is to describe the internationally recognized minimum standards on human and labor rights, the environment, including climate, anti-corruption and animal welfare, we ask our partners to commit to. The policy’s scope covers all individuals and communities affected by our value chain. For own operations please see our Internal Code of Conduct. Birger Christensen collective therefore expects all our partners to establish systems to avoid and address adverse impacts on these minimum standards.

We ask our partners to show proof of commitment by adhering to this code and sharing relevant internal documents & procedures, and/or certifications of the production facility in accordance to its principles. Compliance with the requirements of this Code is therefore a condition of any agreement or contract between Birger Christensen and its suppliers. If we understand that adverse event might occur, Birger Christensen collective will not conduct business with a partner that shows no willingness or ability to mitigate identified adverse impacts.

Birger Christensen is aware that our company’s actions and procurements practices can influence suppliers’ ability to comply with the requirements in this Code. Therefore, Birger Christensen will routinely assess any adverse impacts it may cause or contribute to through its purchasing, compliance and other supply chain practices. This includes

ensuring that the following purchasing practices do not negatively impact suppliers’ ability to meet the requirements set forth in this Code: Lead time, order volume versus production capacity, product development process, pricing, order size fluctuation and consistency of orders. Additionally, Birger Christensen shall periodically review the adequacy and continuing effectiveness of this Code.

This Code is not and should not be interpreted as a mean to circumvent or undermine national laws or national labor inspectorates. Similarly, this Code is not and should not be interpreted as a substitute for free trade unions, nor should it be used as a substitute for collective bargaining.

3. DUE DILIGENCE REQUIREMENTS

International guidelines call on businesses to exercise due diligence to detect, prevent, and mitigate any adverse impacts related to human and labor rights, the environment, including climate, and anti-corruption. These procedures are required for all groups, individuals, and entities that a business may impact, within all business and production units, the local community and the external environment.

Key steps of the due diligence procedures can be found in our Supplier’s manual and include developing policies within all relevant potential and actual impact areas in the business, such as health and safety, environmental protection and chemical management, and anti-corruption. Such policies must be communicated to all employees and other relevant stakeholders. Procedures and management systems

must be developed to ensure that policies are implemented and adhered to, and thereby ensuring that any potential and actual adverse impacts are prevented and mitigated.

Birger Christensen collective’s due diligence process starts during the onboarding phase. We ask our suppliers to clearly map their chain of value before engaging in production, and communicate the MID code of each of the facility that will process our orders.

For each of those, a social audit conducted by a third-party company is made mandatory to share. Supplier must on a yearly basis present and send an updated valid audit report performed by a validated auditor based on the Sedex SMETA, Amfori BSCI or SA8000 standards to Birger Christensen collective. The cost of performing the audit report itself must be covered by Supplier. For Social compliance audits we accept the following ones: SMETA (Sedex Members Ethical Trade Audit), Amfori BSCI (Business Social Compliance Initiative) and SA800.

The audit report can be conducted for other clients, and reused in the cooperation with Birger Christensen collective, but must cover the full part of the supply chain as used for the development and bulk production of the Products of BCC’s brands: Remain, Rotate and Cannari Concept.

We reserve the right to accept or refuse such facility based on the results of the audits and its authenticity.

SUPPLIER CODE OF CONDUCT

**BIRGER CHRISTENSEN
SUPPLIER CODE OF
CONDUCT**

As we understand that audits can have mixed results, we accept enforced Corrective Action Plan as proof of good will and understanding of the commitments required.

We can also ask for visual proof of correction, when relevant.

The standards of this Code of Conduct fall in below four sections, covering four thematic areas. Each section defines a set of specific standards within the four areas. While a due diligence process may identify further areas of concern, the following define standards on topics of relevance for processes in the production of textiles, garment, and footwear. The standards constitute minimum standards that all suppliers must meet and are based on above listed international conventions, standards and guidelines.

4. HUMAN AND LABOR RIGHTS

a. Child labor and young workers

Suppliers must not employ workers and employees under the age of 15, even if permitted by national law. All legal limitations regarding young workers between the age of 15 and 18 must be followed and young workers are only permitted to carry out light work at reduced hours. This means that they must be protected from any hazardous work, night shifts, and any kind of work that might hamper their physical and psychological development or impose any harm.

If child labor is detected at a facility, the supplier is responsible for developing, participating in, and contributing to policies and programs that provide for transitional arrangements to enable the child to remain in quality education until no longer a child.

Please refer to the ILO standards on child labor, for detailed information: <https://www.ilo.org/global/standards/subjectscovered-by-international-labor-standards/child-labor/lang--en/index.htm>

b. Forced labor

Employment must be freely chosen. Suppliers must not use or support any form of slavery and forced and bonded labor. Employees must not be subject to recruitment fees or deposits, withholding of salary and benefits, lodging of personal documents by the employer, or forced to overtime.

c. Employment conditions

Obligations to employees under international conventions and social security laws and regulations arising from the regular employment relationship must not be avoided by using short-term contracts, such as contract labor and casual labor. All employees, including temporary and casual workers, must have written and legal employment letters in a language they understand, specifying conditions of employment and termination.

d. Discrimination, Diversity and Harassment

Suppliers must not engage in or support discrimination in recruitment and in employment. Decisions about hiring, compensation, access to training, advancement, discipline, termination or retirement must be solely based on the ability to perform the job and not on the grounds of gender, marital or parental status, pregnancy, race, caste, colour, age, sexual orientation, religion, political opinion, union membership, function as worker representative, nationality, ethnic origin, health status, or disability. All workers must be treated with respect and

dignity. Suppliers must prevent, not engage in nor support the use of bullying, intimidation, violence, threats of violence, corporal punishment, or physical, sexual, psychological and verbal harassment or abuse. Procedures to ensure punitive measures in cases of harassment and/or discrimination must be put in place. Special measures must be put in place to protect female workers against gender-based violence and harassment in the workplace.

e. Freedom of association and collective bargaining

Suppliers must respect the rights of workers to join and organize associations of their own choosing and to bargain collectively with no interference or sanctions from employers. The supplier must implement mechanisms, such as worker participation committees, for resolving disputes, including employee grievances, and ensure effective communication with employees and their representatives. If the rights to freedom of association and collective bargaining are restricted by national law, the supplier must allow workers to freely elect their own representatives, and alternative forms of worker representation must be supported.

SUPPLIER CODE OF CONDUCT

BIRGER CHRISTENSEN
SUPPLIER CODE OF
CONDUCT

f. Working hours and leave

Standard working hours must follow local regulations, collective bargaining agreements and industry standards, but must not exceed 48 hours per week, excluding overtime. All overtime must always be consensual and not requested on a regular basis. Weekly overtime must not exceed 12 hours. Employees must be allowed a minimum of 1 day off per week and paid annual leave. Maternity leave, sick leave, and other types of leave must be provided to all employees in accordance with relevant local regulations.

Given the sensitivity of the topic, and its impact on health & safety risks, we ask all our suppliers to share their current challenges and plan to improve this factor, if their social audits reveal strong concerns and/or a grade below B for BSCI.

g. Wages and benefits

Wages for a standard working week must at a minimum meet the legal minimum wage, industry standards or negotiated wages, whichever is higher. Wages must be paid regularly and in a timely manner.

We ask our suppliers to commit to measure the local living wage on a yearly basis, to ensure that it is reached outside of overtime hours. Proof of participation to a local or international group on the topic will be asked.

Suppliers should work towards providing a fair living wage, implying that wages are enough to meet the basic needs of employees and their families and provide some discretionary income. All overtime work must be compensated at a premium rate which is recommended to be no less than 125% of the regular pay rate.

Deductions are only permitted if and to the extent prescribed by law or fixed by a collective agreement. It may not be used as a disciplinary practice.

h. Occupational health and safety

A safe and hygienic working environment must be provided for all employees.

To prevent accidents and injuries and promote a healthy and safe work environment, suppliers must – at a minimum – ensure that below listed initiatives are in place. The list is not exclusive but outlines the most critical aspects of a health and safety management system. Special measures must be put in place to ensure a gender-sensitive approach.

- Management representatives for occupational health and safety.
- Incident and risk management procedures proportionate to the type and size of business.
- Health and safety training on occupational risks. This includes training in firefighting and handling hazardous materials and chemicals.
- Provision of appropriate personal protective equipment (PPE), free of charge and in good condition. Training in the proper use of the PPE must be provided.
- All premises on site, including company-provided dormitories, restrooms, changing rooms and canteen, shall uphold appropriate standards on hygiene, health and safety. This includes adequate equipment for fire safety.
- Access to clean drinking water and access to sanitary facilities for employees at all times.
- Safe and healthy buildings. All relevant permits and certificates regarding building

- safety should be kept for review.
- Safe electrical installations installed and maintained by competent personnel.

i. Extreme temperatures

Extreme temperatures may pose a human rights risk in Indian textile factories because excessive heat endangers workers’ health and safety, especially where ventilation and cooling systems are inadequate. Workers often cannot refuse unsafe conditions due to low wages and insecure employment, and women are disproportionately affected. As climate change increases heat levels, the risk of heat-related illness and exploitation grows across the supply chain.

Suppliers must reduce heat risks by improving ventilation and cooling, providing access to drinking water and rest breaks, adjusting working hours during extreme heat, and ensuring workers can stop work if they feel unwell.

SUPPLIER CODE OF CONDUCT

BIRGER CHRISTENSEN
SUPPLIER CODE OF
CONDUCT

5. ENVIRONMENT & CLIMATE IMPACT

Suppliers must conduct all operations in full compliance with all applicable environmental laws and regulations. This includes obtaining and maintaining all necessary registrations, permits, and licences, including, but not limited to, below listed areas. Moreover, suppliers must have procedures and capabilities in place to ensure that they prevent and mitigate negative environmental impacts from their activities, or associated activities. At a minimum, procedures and capabilities must be in place for below listed issues.

We expect that our suppliers will request their supply chain to comply with these requirements.

a. Chemical input / RSL

Suppliers must conduct their operations in accordance with below requirements on chemicals:

- The European Union REACH Regulation (EC) No 1907/2006 Annex XVII and later amendments;
- The “substances of very high concern” (SVHC) i.e. the European Union REACH Regulation (EC) no. 1907/2006 Candidate List. Suppliers are requested to check the list on a regular basis as this list is continuously updated;
- Country specific regulations on export markets. Local laws must be followed in the storage, handling, use and disposal of all chemicals and must comply with the Material Safety Data Sheet (MSDS) for each chemical product.

A multiplicity of laws and regulations in different countries requires the limitation and complete avoidance of certain chemicals.

Every year we communicate our updated RSL (Restricted Substance List), which is based on AFIRM RSL list.

All our production will be tested according to the AFIRM RSL List, and any failure during test performed our thir-party lab will result in the refusal of the identified batch, and need to re-make production at the cost of the supplier

In case of cancellation, delay, or increased transportation costs, Birger Christensen collective may claim the supplier for this cost.

b. Water resources

Suppliers must carry out all operations in full compliance with all applicable laws, regulations, and industry guidelines on water conservation, water quality, and wastewater.

Measures must be put in place to clear wastewater. Suppliers should work towards minimising the use of water during production processes, including introducing water saving techniques and waste-water recycling. This is particularly pertinent for suppliers with wet processing. Suppliers without wet processes are also expected to manage and measure water consumption. Suppliers should work towards measuring the impact of their operations on the local/regional water supply to avoid negatively contributing to water stress.

c. Air quality and climate

Suppliers must reduce and control emissions to air according to applicable regulations. This includes noise, odour, and dust emissions. Suppliers should work towards mitigating negative impact on climate change by carrying out the following measures:

implementing energy efficiency measures in the value chain, starting with high-impact processes, using renewable energy sources if available; and calculating emissions and setting targets to reduce the emissions using recognized standard-setting tools.

d. Waste, re-use and recycling management

All waste must be managed responsibly and as a minimum according to applicable regulations. Hazardous waste must be handled by an authorized company/organisation. Suppliers should minimize waste during production processes going to landfill, facilitate collection of waste to be re-used, reduce use of virgin raw materials, and optimize use of re-cycled materials. The goal should be no waste to landfill.

6. ETHICAL BUSINESS PRACTICES

Suppliers are expected to act according to high ethical standards and with integrity in all matters related to their business and have adequate procedures to prevent corruption in their operations. No form of corruption, extortion, kickbacks, facilitation payments, or bribery must be offered, received, or promised.

We ask our suppliers, to follow, as a minimum, the following commitments:

- Conduct business in full compliance with all applicable anti-trust and fair competition laws.
- Act in compliance with all applicable anti-corruption laws that govern operations in the countries the Supplier do business with, as well as international laws, by, among other things, refusing to receive or offer bribes,

SUPPLIER CODE OF CONDUCT

BIRGER CHRISTENSEN SUPPLIER CODE OF CONDUCT

- facilitation payments or anything of value for the purpose of obtaining or retaining business or any improper benefit or advantage.
- Ensure that offering or receiving gifts or courtesy, including hospitality, is permitted by law. Hospitality or gifts offered to Birger Christensen collective employees must always be related to business activities and may never be offered as an attempt to influence business decisions. For the sake of certainty, no Birger Christensen collective employees are allowed to receive courtesy gifts worth more than the equivalent of 50 USD. Any such gifts must never be offered in cash, unreasonably often or in any other way be beyond what can be considered as normal courtesy.
- Avoid any contributions or donations that would aim or give the appearance of aiming at gaining unfair advantage or influence.
- Work against any conflict of interest in their business relations and disclose any potential or actual conflict of interest as soon as it is identified.
- Enforce all applicable national and international foreign trade laws, regarding transactions and the transfer of goods or technology between countries.
- Protect and respect the rights to privacy and data protection of their employees and of individuals they collaborate with, according to all relevant data privacy laws as well contractual requirements.
- Respect Birger Christensen collective intellectual property rights, trade secrets and confidential information.
- Transparently and accurately record and dis

- close details of its business activities, corporate structure, financial situation, and performance in accordance with applicable laws and regulations.
- Disclose any subcontracting prior to production and seek for Birger Christensen collective express written approval beforehand. All samples and production orders must be placed within facilities that have been approved by Birger Christensen collective with no exception.

7. ANIMAL WELFARE

Suppliers are expected to ensure that materials used in the products derive from animals that have been treated according to all applicable regulations, conventions, and standards.

We use the 5 animal freedoms as a guideline to select the materials sourced:

1. Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour
2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area
3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment
4. Freedom to express (most) normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind
5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental suffering

When using materials that derive from animals, the supplier should be ready to document the chain of custody of the product, e.g., via existing credible third-party certifications schemes. Leather-based material must, as a minimum, be originated from a LVG certified facility. No production will be allowed outside of approved certification. Our product developers will provide you with updated Preferred material guidelines from development period to share access to latest minimum requirements per product category.

8. COLLABORATION, GRIEVANCE AND MONITORING

Open and transparent dialogue on the standards of this Code of Conduct is essential for the relationship with our suppliers. As part of this, suppliers are expected to inform about all sub-contractors. Hidden factories are not accepted.

All suppliers are evaluated against the standard of the Code, and we prioritise those suppliers who are committed to demonstrating compliance and continued improvements.

Suppliers are evaluated through different types of assessment, including self-assessments, internal assessments, and thirdparty assessments (announced and unannounced). We and appointed third-party auditors must be granted access to all facilities, including sub-contractors, as well as relevant documents and employees as requested.

Suppliers must have a grievance mechanism in place allowing stakeholders to voice their concern if they find that operations of the supplier are adversely affecting human and labor rights, environment,

SUPPLIER CODE OF CONDUCT

BIRGER CHRISTENSEN SUPPLIER CODE OF CONDUCT

including climate, anti-corruption, and animal welfare.

The grievance mechanism should be appropriate to the size of the company and can take the form of a whistle-blower function, worker representation committee, etc. The grievance mechanism should be widely communicated, and accessible to all workers (including temporary workers), and managed in a confidential, unbiased, timely, and transparent manner.

Birger Christensen collective has itself opened a similar grievance & whistleblowing scheme that is made available to the external stakeholder at this url: <https://bcc.indberet.nu>.

We trust that our suppliers will embrace the requirements of this Code. In those instances where a supplier needs to improve certain procedures and practices, the supplier must be committed to do so within a specific timeframe. We believe that achieving good social and environmental standards is a process, and we are committed to working together with our suppliers in their efforts.

If a supplier demonstrates lack of commitment and will to engage and improve on the standards of this Code, we will not hesitate to terminate the business relationship.

APPROVAL AND IMPLEMENTATION

This policy is effective upon approval by the Board. All employees are expected to adhere to and support the implementation of this policy.

Signed by:	DocuSigned by:
	
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